

Proposed Approach for Project Evaluation, Allocation of Funds, and the Role of the Review Panel and Technical Advisors

November 13, 2003

Background

In past grant cycles, the SRFB Technical Panel has evaluated individual projects submitted by lead entities to the Board for funding. The Panel provided a high, medium or low rating for each project's anticipated benefits to salmon and the certainty that those benefits would be achieved. The SRFB used these ratings in deciding how much funding to apply to each lead entity list and whether to remove from consideration projects that the Panel rated as *low*.

Using the Technical Panel's ratings to help decide how much funding to apply to each lead entity list worked well in the first three grant cycles when there was adequate funding for all of the highly ranked and highly rated projects. In the fourth round, however, there were insufficient funds for all of the highly ranked projects, making it difficult to decide how much funding to apply to each lead entity list. Compounding this problem was the presence of ten highly ranked projects requesting \$750,000 or more each (three of these were over a million dollars). As a result, SRFB staff was not able to find a way to recommend a fund allocation across the 24 lead entity lists that was uniformly scientifically supportable, consistent, and fair. Assuming that the quality of projects continues to improve and funding does not grow accordingly, the decision on how much funding to apply to each lead entity list will not get easier.

Other issues regarding the fourth grant round revolved around the differences in opinion between the SRFB's Technical Panel and lead entity Technical Advisory Groups (TAGs) and Citizens Committees. In some cases these differences were the result of applying a statewide perspective in contrast to a local (watershed) perspective when judging the benefits and certainty of the project. In other cases there were nontechnical reasons that lead to a project having a higher rank than its technical merits alone would support. And in some cases, lead entities believe the difference is the result of the Technical Panel not having enough information regarding the project. In the fourth round, the SRFB did not fund two number-one ranked projects and two number-two ranked projects based in part on low ratings from the Technical Panel.

As lead entities learn more about their watersheds and improve their strategies and evaluation processes, there has been a growing perception by lead entities and others that there does not need to be a duplicate technical review of projects by the SRFB. However, providing oversight and accountability for investment of its funds is a major SRFB responsibility.

Guiding Principles Approved by the ITF and SRFB

Any process for evaluating and funding lead entity projects should:

- Maintain SRFB oversight and accountability while respecting the expertise and judgment of lead entity technical advisory groups and citizens committees.
- Minimize duplicate technical review.
- Attempt to resolve differences between the SRFB Review Panel and local TAGs and citizens committees before the Board makes its final funding decisions.
- Place the Technical or Review Panel in more of a collaborative, collegial role with local TAGs. LEAG suggests that these groups act more like peers—one with a statewide perspective and one with a local (watershed) perspective.
- Include a way for the Review Panel and the SRFB to take into consideration community issues when they affect the lead entity's ranking of a project or establishing priorities in the lead entity strategy.
- Apply a method of allocating funds across lead entities that will be able to adapt to different state and federal funding scenarios in a predictable manner.

Approach To Be Discussed at the November 18-19 ITF Meeting

The SRFB will shift from making funding decisions based on the evaluation of individual projects to one based on the overall list of projects. However, there still will be a mechanism to ensure that every project funded by the Board is technically sound.

- ▷ Early in the grant cycle (February of '04) the SRFB will decide on a base amount of funds that will be allocated to each lead entity list. The amount will be based on the number of listed species contained in each lead entity area, its geographic area (acres), and whether the lead entity encompasses an entire salmon recovery region (see Proposed Allocation Approach, below, for details).
- ▷ The SRFB will establish a Review Panel composed of technical and nontechnical members (see Role of the Review Panel and Technical Advisors, below, for details). Early in the grant cycle the Review Panel will review each lead entity strategy, meet with lead entity representatives, and provide feedback to the lead entity in the form of answers to a series of questions regarding the strategy. This will help the Review Panel to understand the strategies and provide information to the lead entities that will be useful for this and future grant rounds.
- ▷ The SRFB will establish a team of Technical Advisors to ensure that every project funded by the Board is technically sound. They will consist of members with expertise in different project types (barrier removal, assessments, nearshore, acquisition, etc.) Technical Advisors will work as extensions of the Review Panel.
- ▷ Technical Advisors will review projects before lead entity project lists are submitted to the Review Panel. In coordination with the Review Panel, the Advisors will work

with lead entity TAGs and project applicants to resolve differences of opinion and provide applicants the opportunity to correct project deficiencies.

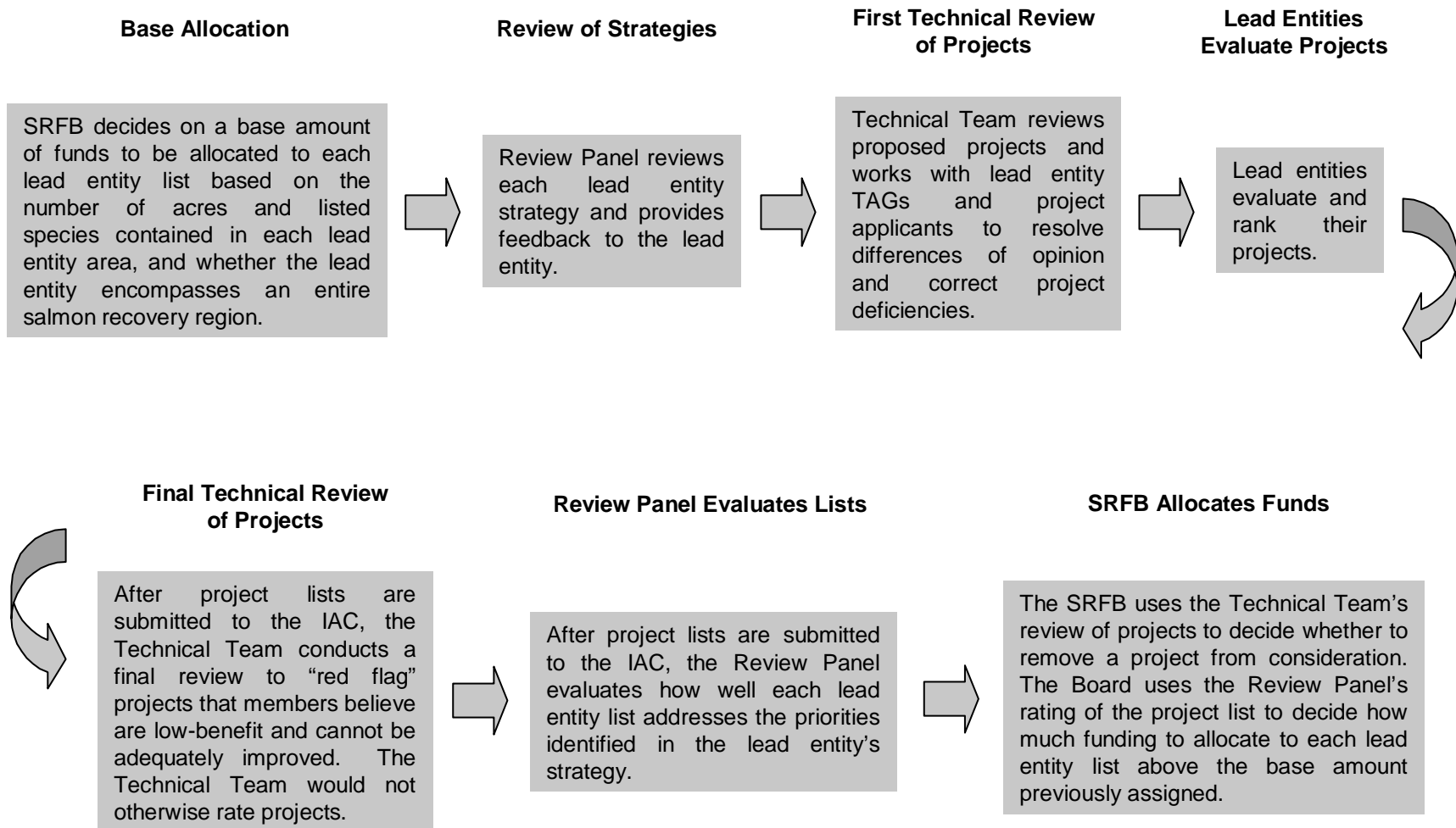
- ▷ Lead entities will evaluate and rank their projects. They may use the definitions of *benefits* and *certainty* adopted by the SRFB or use their own evaluation criteria.
- ▷ After project lists are submitted to the SRFB, the Technical Advisors will conduct a final review of all projects. In their report to the Review Panel and SRFB, the Technical Advisors will “red-flag” any projects they believe have low benefit and cannot be adequately improved (see Attachment II). The Technical Teams will not otherwise rate projects for high, medium and low *benefits* or *certainty*.
- ▷ After project lists are submitted to the SRFB, the Review Panel will evaluate each lead entity’s list of projects as a whole. The Review Panel will evaluate the how well the list addresses the priorities identified in the lead entity’s strategy. Staff recommends that the Review Panel use a series of scored evaluation questions (Attachment III).
- ▷ The SRFB will use the Technical Advisors’ review of projects to decide whether to remove a project from consideration. The Board will use the Review Panel’s rating of the project list to decide how much funding to allocate to each lead entity list above the base amount previously assigned.

Role of the Review Panel and Technical Team

There will be a Review Panel composed of technical and non-technical members. The technical members will be experts in salmon recovery with a broad range of knowledge in salmon habitat restoration and protection approaches, an understanding of watershed processes and an ecosystem approach to habitat restoration and protection, and an understanding of strategic planning. Non-technical members will also have an understanding of strategic planning and will have experience in bridging the gap between science and policy and inclusion of the community and stakeholder interests in policy development and decision-making. Early in the grant cycle the Review Panel will review lead entity strategies and provide feedback to the lead entities. Later in the grant cycle it will be responsible for evaluating lead entity project lists (Attachment III).

The Review Panel will utilize a team of Technical Advisors to undertake the technical review of proposed projects to ensure that they are scientifically sound. The Technical Advisors will be composed of members with expertise in different areas of habitat restoration and protection. Prior to submittal of the projects to SRFB, the Technical Advisors will meet with lead entities and project sponsors to resolve differences of opinion and provide applicants the opportunity to correct project deficiencies that otherwise would likely be of concern to the Advisors at their final project review. After their final review of projects, the Technical Advisors will “red-flag” any projects they believe have low benefit to salmon, a low likelihood of being successful, and/or have costs that outweigh the anticipated benefits of the project. The Technical Advisors will not otherwise rate the *benefits* and *certainty* of the projects. See Attachments I, II, and IV for details.

Proposed Approach to Fifth Round Allocation of SRFB Funds



Proposed Approach to Allocating Funds Across Lead Entity Lists

The allocation of SRFB funds to a lead entity list of projects would consist of a base amount, to be decided at the beginning of the grant cycle (February SRFB meeting). It would be based on:

- *equity* (an equal amount for each lead entity),
- *need* (number of acres or WRIAs in lead entity area and listed species), and
- whether the lead entity area encompasses an entire salmon recovery region

The base amount, when applied to all of the lead entity lists, would use about half the anticipated funds available for the fifth round.

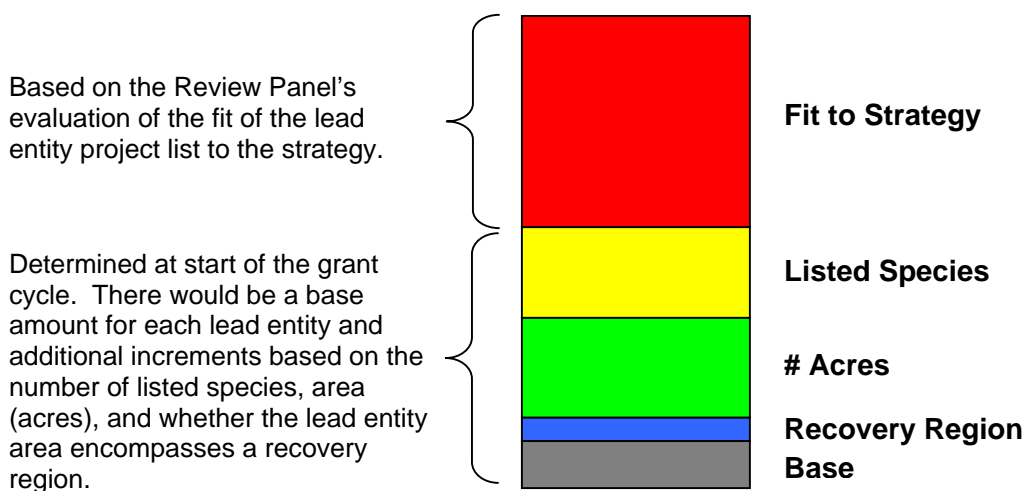
There would be a second allocation, to be decided at the SRFB funding meeting in December of '04, based on the Review Panel's evaluation of the lead entity list's fit to the strategy. Lead entity lists that receive a higher score from the Review Panel would receive a greater amount of funding.

To start the discussion at the ITF meeting, staff is proposing several approaches. First:

- ▷ 10% of the available funds be divided equally among the lead entities
- ▷ 20% be allocated based on the number of acres in the lead entity area
- ▷ 20% be allocated based on the number of listed species, and
- ▷ 2% be allocated based on whether or not the lead entity encompasses an entire salmon recovery region

The remaining 48% would be allocated based on the Review Panel's evaluation of the lead entity list's fit to the strategy.

Allocation of SRFB Funds Across Lead Entity Lists



This example of a possible approach to allocation is illustrated in Table I. The table assumes the approximate total funding level estimated for the fifth grant round, \$28,400,000.

An a second possible approach is illustrated in Table II. This approach utilizes the number of WRIAs in a lead entity area rather than acres and assumes a more conservative funding level of \$26,000,000. In this example, more funding (58% of the total amount available) is reserved for the SRFB to allocate to lead entity project lists in December based on the lists' fit to the lead entity strategies. Of the remaining 42%, fifteen percent would be divided equally among the lead entities, two percent would be allocated based on whether or not the lead entity encompasses an entire salmon recovery region, ten percent would be allocated based on the number of WRIAs in the lead entity area, and fifteen percent based on the number of listed species.

Assuming the ITF and SRFB pursue this overall approach to allocation, a number of policy questions must be answered, including:

- ▷ What total amount of funding should be assumed for the Fifth Round?
- ▷ What percentage of the total funding should be preallocated by formula and what percentage set aside for allocation based on the fit of lead entities' lists to their strategies?
- ▷ What should the preallocation formula include? Area or WRIAs? Some other indicator of the size of a lead entity or magnitude of effort necessary to restore the watersheds within the lead entity area?
- ▷ How much weight should be given to the base amount, lead entity size, number of listed species, and whether or not the lead entity encompasses an entire salmon recovery region?
- ▷ How should the Review Panel's evaluation of lead entities' lists fit to their strategies be used to allocate funds to each lead entity lists?

There will be a computer and projector available at the ITF meeting to experiment with different approaches and weighting scenarios.

Table I. Distribution of SRFB Funds Across Lead Entity Lists

Total Amount Available \$28,400,000 (estimated for 5th round)

Lead Entity	Base # of LEs	10% of total	LE= SRR	2% of total	# of Acres	20% of total	# of ESA Species	20% of total	52% Total Base
Grays Harbor County	1	\$109,231			1,735,152	\$301,592	1	\$113,600	\$524,423
Hood Canal C.C.	1	109,231			941,297	163,610	3	340,800	613,641
Island County	1	109,231			332,471	57,788	2	227,200	394,219
King County 8	1	109,231			442,791	76,963	2	227,200	413,394
King County 9	1	109,231			372,463	64,739	2	227,200	401,170
Kitsap County	1	109,231			442,439	76,902	2	227,200	413,332
Klickitat County	1	109,231			1,322,572	229,880	2	227,200	566,311
Lower Columbia FRB	1	109,231	1	142,000	3,246,968	564,366	4	454,400	1,269,997
Mason CD	1	109,231			220,350	38,300	2	227,200	374,730
Nisqually	1	109,231			492,954	85,682	2	227,200	422,113
North Olympic Peninsula	1	109,231			1,995,286	346,807	3	340,800	796,838
Pacific County	1	109,231			734,106	127,597	0	0	236,828
Pend Oreille CD	1	109,231			794,546	138,103	1	113,600	360,933
Pierce County	1	109,231			783,898	136,252	2	227,200	472,683
Quinault Nation	1	109,231			749,709	130,309	1	113,600	353,140
San Juan CD	1	109,231			399,625	69,460	2	227,200	405,891
Skagit Watershed Council	1	109,231			2,040,082	354,593	2	227,200	691,024
Snake River	1	109,231	1	142,000	2,810,414	488,487	4	454,400	1,194,118
Snohomish County	1	109,231			1,221,817	212,368	2	227,200	548,799
Stillaguamish Tribe	1	109,231			459,938	79,943	2	227,200	416,374
Thurston CD	1	109,231			189,721	32,976	2	227,200	369,407
Upper Columbia	3	327,692	1	142,000	5,971,720	1,037,964	3	340,800	1,848,456
Whatcom County	1	109,231			1,039,283	180,641	2	227,200	517,072
Yakima, Kittitas, Benton	1	109,231	1	142,000	3,939,150	684,676	2	227,200	1,163,107
Total	26	\$2,840,000	4	\$568,000	32,678,750	\$5,680,000	50	\$5,680,000	\$14,768,000

Puget Sound

\$7,250,686

Table II. Distribution of SRFB Funds Across Lead Entity Lists

Total Amount Available \$26,000,000

	Base	15%	LE as	2%	# of	10%	# of	15%	42%
Lead Entity	# of LEs	of total	SRR	of total	WRIA S	of total	Species	of total	Total Base
Grays Harbor County	1	\$150,000			2	\$117,647	1	\$78,000	\$345,647
Hood Canal C.C.	1	150,000			2.2	129,412	3	234,000	513,412
Island County	1	150,000			1	58,824	2	156,000	364,824
King County 8	1	150,000			1	58,824	2	156,000	364,824
King County 9	1	150,000			1	58,824	2	156,000	364,824
Kitsap County	1	150,000			0.7	41,176	2	156,000	347,176
Klickitat County	1	150,000			1.7	100,000	2	156,000	406,000
Lower Columbia FRB	1	150,000	1	130,000	4.3	252,941	4	312,000	844,941
Mason CD	1	150,000			0.9	52,941	2	156,000	358,941
Nisqually	1	150,000			1	58,824	2	156,000	364,824
North Olympic Peninsula	1	150,000			3.2	188,235	3	234,000	572,235
Pacific County	1	150,000			1	58,824	0	0	208,824
Pend Oreille CD	1	150,000			1	58,824	1	78,000	286,824
Pierce County	1	150,000			2	117,647	2	156,000	423,647
Quinault Nation	1	150,000			1	58,824	1	78,000	286,824
San Juan CD	1	150,000			1	58,824	2	156,000	364,824
Skagit Watershed Council	1	150,000			2	117,647	2	156,000	423,647
Snake River	1	150,000	1	130,000	3	176,471	4	312,000	768,471
Snohomish County	1	150,000			1	58,824	2	156,000	364,824
Stillaguamish Tribe	1	150,000			1	58,824	2	156,000	364,824
Thurston CD	1	150,000			1	58,824	2	156,000	364,824
Upper Columbia	3	450,000	1	130,000	7.2	423,529	3	234,000	1,237,529
Whatcom County	1	150,000			1	58,824	2	156,000	364,824
Yakima, Kittitas, Benton	1	150,000	1	130,000	3	176,471	2	156,000	612,471
Total	26	\$3,900,000	4	\$520,000	44.2	\$2,600,000	50	\$3,900,000	\$10,920,000

Puget Sound

\$5,922,471

Attachment I

Proposed Composition and Deployment of the Technical Advisors

The purpose of the Technical Advisors is to help ensure that every project funded by the Salmon Recovery Funding Board is technically sound. Prior to submittal of the projects to IAC, the Technical Advisors will meet with lead entities and project sponsors to identify projects of concern, resolve differences of opinion, and provide applicants the opportunity to correct project deficiencies. After submittal of the projects to IAC, the Technical Advisor's will conduct a final review of projects and "red-flag" any they believe have low benefit to salmon, a low likelihood of being successful, and/or have costs that outweigh the anticipated benefits of the project.

The Technical Advisors will be consist of ten members. Two members will have expertise in each of the following areas:

- Fish passage projects
- Acquisition projects
- Assessments
- Marine nearshore projects
- Instream, riparian, and upland restoration projects

As in the Fourth Grant Round, lead entities may invite teams of Technical Advisors to their area at any time during the lead entity's evaluation process. The purpose of the visit will be to acquaint the team with the lead entity area and with individual projects and for team members to provide feedback to the lead entities and sponsors regarding concerns about projects that could lead to a red flag. Team members may attend TAG meetings, make site visits to proposed projects, and meet with project sponsors. The team will be composed of from two to five Technical Advisors, based on the project types being reviewed. The team will provide the lead entity with written comments within two weeks after the visit and will be available by phone to answer questions. The project sponsors or lead entity must have entered project information in PRISM two weeks prior to the visit to give team members consistent written information about each project.

After submission of projects to the SRFB, the Technical Advisors will meet for a final review of all projects. Emphasis will be placed on reviewing projects that had been of concern during the lead entity visits to make a final decision whether to "red flag" the project for the Review Panel and SRFB.

Attachment II

Technical Advisor's Review and Evaluation of Projects

The help ensure that every project funded by the Salmon Recovery Funding Board is technically sound the Technical Advisors will review and note to the Review Panel and SRFB any projects they believe have low benefit to salmon, a low likelihood of being successful, and/or have costs that outweigh the anticipated benefits of the project. The Technical Advisors will take into account that at the time of application to the SRFB, some restoration projects will not have been completely designed and some acquisition projects may not have specific parcels identified. Also, it will be expected that projects will follow BMPs, when available, and will meet any permitting requirements.

Proposed Criteria

The criteria below are based on previous definitions of low *certainty* and low *benefit*.

For restoration and protection projects, the project will be red-flagged by the Technical Advisors if:

- Project has not been shown to address an important habitat condition or watershed process in the area.
- Project's main focus is to support other needs such as general education, property protection or water supply.
- It is unclear there is a problem to salmonids the project is addressing.
- Information provided, or current understanding of the system, is not sufficient to determine the need for, or the benefit of, the project.
- Project is dependent on other key conditions or processes being addressed first.
- Project has a high cost relative to the anticipated benefits.
- Project does not account for the conditions or processes in the watershed.
- Project may be in wrong sequence with other habitat protection, assessments or restoration actions in the watershed.
- Project uses a technique that has not been considered to be successful in the past.
- It is unclear how the project will achieve its stated objectives
- It is unlikely that the project will achieve its stated objective.
- There is low potential for threat to habitat conditions if the protection project is not completed.
- The project design is not adequate or the project is improperly sited.
- The stewardship plan is insufficient or there is inadequate commitment to stewardship and maintenance of the project and this would likely jeopardize the project's success.

For assessment projects, the project will be red-flagged by the Technical Advisors if:

- Project minimally addresses a limiting life history stage or habitat type that limits salmon productivity or its main focus is to support other needs such as general education, property protection, or water supply.
- It is not clear there is a problem to salmonids the project is addressing.
- Project does not address an information need important to understanding the watershed, is not directly relevant to project development or sequencing, and will not clearly lead to beneficial projects.
- The approach does not appear to be appropriate.
- Project has a high cost relative to the anticipated benefits.
- The assessment does not account for the conditions or processes in the watershed, or may be in the wrong sequence with other habitat assessment or restoration activities.
- The assessment uses a technique that has not been proven successful in past applications.
- There are significant constraints to the implementation of high priority project(s) following completion of the assessment.
- It is unclear how the assessment will achieve its stated objectives
- It is unlikely that the assessment will achieve its stated objective.

Attachment III

Proposed “Fit to Strategy” Evaluation Criteria

The Review Panel’s evaluation of the fit of the lead entity list of projects to the lead entity strategy is done in five categories: targeted species, targeted habitat features and watershed processes, priority actions and areas, community issues, and project ranking. These areas are based on the *Guide to Lead Entity Strategy Development*. For each one of the five evaluation criteria, the Review Panel will give the fit of the project list to the strategy a score from zero to ten points. The five scores will be added after applying the appropriate multipliers, resulting in a final score for “fit to strategy” for each lead entity list (see table).

The ten-point range for each category is considered a continuum. The outline below defines the extremes (zero and ten points) and provides guidance to Review Panel members for choosing a value within that range.

Targeted species

- | | |
|-----------|--|
| 10 points | Specific stocks are identified and prioritized ¹ in the strategy and the entire project list targets the highest priority stocks. |
| 6 points | Specific stocks are identified and prioritized and two-thirds of the list targets the highest priority stocks. |
| 3 points | Specific stocks are identified and prioritized and one-third of the list targets the highest priority stocks. |
| 0 points. | Stocks are not prioritized in the strategy. |

Targeted habitat features and watershed processes

- | | |
|-----------|---|
| 10 points | The strategy clearly prioritizes habitat features and watershed processes AND the entire project list addresses the highest priorities. |
| 7 points | The strategy clearly prioritizes the most important habitat features and watershed processes AND two-thirds of the list addresses the highest priorities. |
| 3 points | The strategy is vague or insufficiently specific about priorities for habitat features and watershed processes, but most of the list appears to address high priorities |
| 3 points | Only a third of the list addresses the highest priorities. |
| 0 points. | The strategy does not prioritize habitat features or watershed processes |

¹ “Prioritized” means that one or more (but not all) stocks have been designated as the highest priority for habitat protection and/or restoration actions.

Priority actions and areas

- 10 points. For priority habitat features and/or watershed processes, the strategy clearly identifies and prioritizes specific actions and geographic areas AND the entire project list addresses the highest priority actions and areas².
- 7 points For priority habitat features and/or watershed processes, the strategy clearly identifies and prioritizes specific actions and geographic areas AND two-thirds of the list addresses the highest priority actions and areas.
- 3 points For priority habitat features and/or watershed processes, the strategy clearly identifies and prioritizes specific actions and geographic areas AND one-third of the list addresses the highest priority actions and areas.
- 0 points. The strategy does not present priority actions and areas.

Community issues

- 10 points. The strategy clearly identifies community issues and concerns and proposes specific actions for building or maintaining community support for high biological priority actions and areas AND one or more projects on the list addresses one or more of the highest priority actions for building or maintaining community support for high biological priority actions and/or areas.
- The strategy is vague or non-specific about actions to build or maintain community support for high biological priority actions and/or areas but one or more projects on the list appears to do so.
- 0 points There is not a strategy and proposed specific actions for building or maintaining community support for high biological priority actions and/or areas.

Fit of project ranking

- 10 points. The rank order of the entire list of projects fits the highest priorities (stock, habitat features, watershed processes, actions, geographic areas, community interests) presented in the strategy.
- The rank order of a portion of the list of projects fits the highest priorities (stock, habitat features, watershed processes, actions, geographic areas, community interests) presented in the strategy.
- 0 points. There is no clear justification for why projects are ranked the way they are.

² Not all priority actions need to translate into priority areas of the watershed but all priority areas should have priority actions. See the *Guide to Lead Entity Strategy Development*.

Criterion	Multiplier	Total Points
Targeted species	1	10
Targeted habitat features and watershed processes	1	10
Priority actions and areas	1.5	15
Community issues	1	10
Fit of project <u>ranking</u>	1	10
Total Possible points		55

Attachment IV: Proposed Fifth Grant Round Timeline

